Government of Saskatchewan

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All stated cattle prices are based on the weekly Canfax Market Outlook and Summary.
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Weekly Cattle Market Update

For the Week Ending May 12, 2017

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)								
Feeder Steers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800-900**	**900+ lb.**
May 12/2017	Average	**$239.67**	**$246.25**	**$244.38**	**$232.38**	**$212.33**	**$193.67**	**$181.50**
May 12/2017	Range	**230-247**	**238-269**	**236-264**	**223-249**	**205-225**	**183-209**	**170-190**
week/week	Change	-$8.33	-$5.58	-$3.25	-$0.22	-$1.57	-$3.16	**$9.00**
May 5/2017	Average	**$248.00**	**$251.83**	**$247.63**	**$232.60**	**$213.90**	**$196.83**	**$172.50**
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
May 12/2017	Average	**$224.83**	**$222.38**	**$215.83**	**$204.10**	**$197.75**	**$182.33**	
May 12/2017	Range	**211-238**	**211-235**	**207-231**	**197-219**	**191-210**	**173-193**	
week/week	Change	**$10.50**	**$2.13**	**$2.95**	-$2.65	**$2.25**	-$0.07	
May 5/2017	Average	**$214.33**	**$220.25**	**$212.88**	**$206.75**	**$195.50**	**$182.40**	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday the current week. N.A. means not available due to lack of sufficient data.

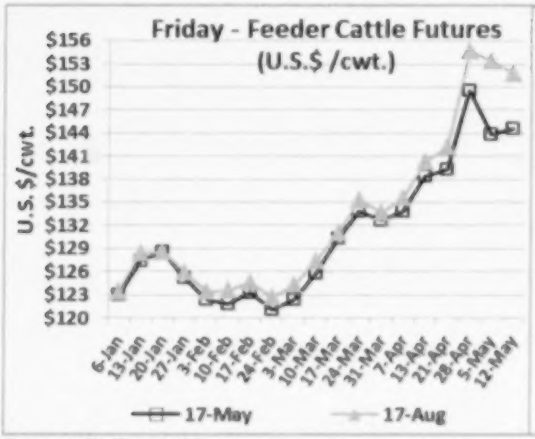
Canfax reported that a total of 6,917 head of cattle were sold in Saskatchewan this week, down from 8,494 head sold the previous week, but up from 5,368 head the same week a year ago.

Saskatchewan feeder steer prices were reported in all weight categories over the week with feeder steer prices primarily lower in most weight categories. Feeder steer prices ranged between $8.33 per cwt lower and $9.00 per cwt higher. The 900+ lb. feeder steer weight category had the only price gain; while the 300-400 lb. weight category had the largest losses over the week. On average, feeder steer prices declined by almost $2 per cwt over the week. Saskatchewan feeder steer prices moved contrary to Alberta and Manitoba feeder steer prices, which moved higher.

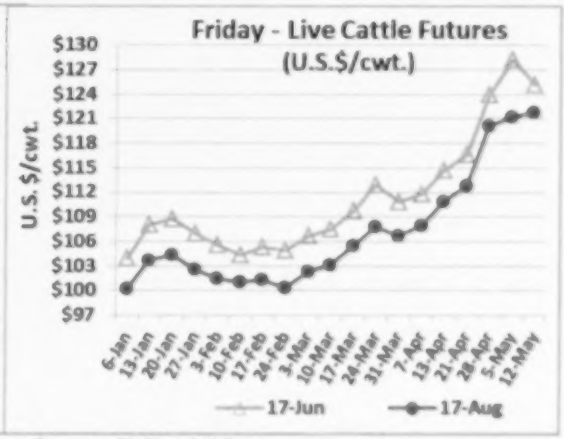
Saskatchewan feeder heifer prices were reported in all weight categories over the week with prices mixed but overall higher. Feeder heifer prices over the week ranged between $2.65 per cwt lower and $10.50 per cwt higher from the previous week. The biggest price gain over the week was in the 300-400 lb. feeder heifer weight category; while the largest price loss was in the 600-700 lb. weight category. On average, feeder heifer prices increased by over $2 per cwt.

The Saskatchewan 750 lb. feeder steer basis compared to the May 11, 2017, U.S. feeder cattle index at US$143.48 per cwt was calculated at (+$15.57) per cwt ($212.33 - US$143.48/0.7292, a basis narrowing of $1.52 per cwt from (+$14.05) per cwt compared to the previous week.

Feeder cattle daily futures prices were volatile over the week starting the week higher Monday and ended Friday higher; but had significant daily losses Tuesday to Thursday to end the week mixed, week-over-week. The nearby May contract increased US$0.775 per cwt to settle Friday at US$144.550 per cwt; while the August 2017 contract declined US$1.600 per cwt to settle Friday at US$151.825 per cwt.



Source: CME, LMIC



Source: CME, LMIC

Live daily cattle futures prices were mixed over the week and ended the week mixed, week-over-week. The nearby June contract declined US$3.125 per cwt to settle Friday at US$125.175 per cwt, while the August contract increased US$0.600 per cwt to settle Friday at US$121.775 per cwt.

Iowa cash corn prices settled Friday at US$3.25 per bushel, down two cents from US$3.27 per bushel the previous Friday. Corn futures were overall steady, week-over-week. The May corn contract was unchanged to settle Friday at US$3.61 ¾ per bushel; while the July contract was up a ¼ cent to settle Friday at US$3.71 per bushel.

Fed and Non-fed Cattle

	May 12, 2017	May 5, 2017	Week over Week
Steers (Alberta)			
Live	$180.02	$191.51	-$11.49
Rail	$294.50 to $305.00	$302.50 to $308.50	-$8 to -$3.50
Cows (Alberta)			
D1,2 Live	$109.83	$110.80	-$0.97
D3 Live	$97.88	$100.38	-$2.50
Rail	$207-212	$205-210	+$2.00

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta were lower over the week. The price of D1,2 slaughter cows declined $0.97 per cwt to average $109.83 per cwt, while the price of D3 slaughter cows declined $2.50 per cwt to average $97.88 per cwt.

Fed cattle prices for Alberta fed steers averaged $180.02 per cwt over the week, down $11.49 per cwt from $191.51 per cwt the previous week. Most of the price gains from the previous week's big jump ($14.09 per cwt) were given back over the week.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$137.28 per cwt, down US$7.32 per cwt or 5.1 per cent from US$144.60 per cwt the previous week; but up 3.6 per cent from US$132.56 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$220.33 per cwt, down US$9.47 per cwt or 4.1 per cent from US$229.80 per cwt the previous week, but up 5.7 per cent from US$208.39 per cwt the same week a year ago.

Beef production for the week was estimated at 486.5 million lb., down 0.6 per cent from 489.6 million lb. the previous week, but up 0.3 per cent from 485.0 million lb. the same week a year ago. Cattle slaughtered over the week were estimated at 609,000 head, down 0.5 per cent from 612,000 head the previous week, but up 1.8 per cent from 598,000 head a year ago.

U.S. choice beef cutout prices (600-900 lb.) averaged US$244.55 per cwt over the week, up US$12.00 per cwt or 5.2 per cent from US$232.55 per cwt the previous week, and up 14.8 per cent from US$213.00 per cwt the same week a year ago. Choice beef cutout prices reached levels not established since July 2015.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On May 10, the USDA released the May World Agricultural Supply and Demand Estimates (WASDE). The May USDA WASDE report revised the 2017 United States Red Meat and Poultry production estimates to 100.735 billion lb., a slight decrease (0.3 per cent) from the April estimates, but a 3.2 per cent increase from 97.612 billion lb. produced in 2016. Beef production estimates in May for 2017 were estimated at 26.310 billion lb., down 0.7 per cent from the April estimates due to lower carcass weights, but 4.3 per cent higher than 2016 U.S. beef production.

USDA May World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	Beef	Pork	Broiler	Turkey	& Poultry
2014	Annual	24,252	22,843	38,550	5,756	92,171
2015	Annual	23,698	24,501	40,048	5,627	94,630
2016	Annual	25,221	24,941	40,695	5,981	97,612
% Chg.	2015-2016	6.43%	1.80%	1.62%	6.29%	3.15%
2017	April Proj.	26,500	26,095	41,525	6,110	101,003
2017	May Proj.	26,310	26,054	41,482	6,122	100,735
% Chg.	April to May	-0.72%	-0.16%	-0.10%	0.20%	-0.27%
% Chg.	2016 to 2017	4.32%	4.46%	1.93%	2.36%	3.20%

Source: USDA May WASDE Report, May 10, 2017

Leading the way in United States meat production increases in 2017 (by percent) are projected to come from pork (+4.5%), beef (+4.3%), and turkey (+2.4%), followed by broilers (+1.9%). (Source: USDA WASDE)

United States crop projections for (2017/2018) have projected corn acreage at 90 million acres, down from 94 million acres the previous year. Lower corn acres along with lower yield projections have reduced corn production by almost 1.1 billion bushels from the previous year. While U.S. corn production is projected to be significantly lower; reduced corn exports and usage may only reduce ending supplies by less than ten per cent. U.S. Soybean production is expected to take corn acres away as soybean acreage is projected at 89.5 million acres, up from 83.4 million acres the previous year. Production is however estimated to slightly decline from the previous year based on lower soybean yields. With higher projected soybean imports; U.S. ending soybean stocks are actually projected to increase 10 per cent from the previous year.

Friday Price Information

Product		This Week (May 12, 2017)	Week of: (May 5, 2017)	Week of: (May 13, 2016)
Canadian Dollar (closing rate US$)		.7292	.7293	.7731
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		143.48	145.75	146.21
Seven-day Weighted Average FC Index Wt. (lb.)		810	808	769
Live Fed 5-area Steer Price (US$ per cwt)		137.28	144.60	132.56
Feed Grains				
Barley	Lethbridge ($/tonne)	180.00	172.00	218.00
	($ per bu.)	3.92	3.74	4.75
Corn	Iowa State Average (CDN$/tonne)*	175.46	176.52	178.74
	(US$ per bu.)	3.25	3.27	3.51
	Omaha, NE (CDN$/tonne)*	185.18	182.45	186.88
	(US$ per bu.)	3.43	3.38	3.67
Futures				
	May Corn (US$ per bu.)	3.61 ¾	3.61 ¾	3.82
	July Corn (US$ per bu.)	3.71	3.70 ¾	3.90 ¾
	June Live Cattle (US$ per cwt)	125.175	128.300	123.425
	August Live Cattle (US$ per cwt)	121.775	121.175	118.725
	May Feeder Cattle (US$ per cwt)	144.550	143.775	147.050
	August Feeder Cattle (US$ per cwt)	151.825	153.425	146.250

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate.

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